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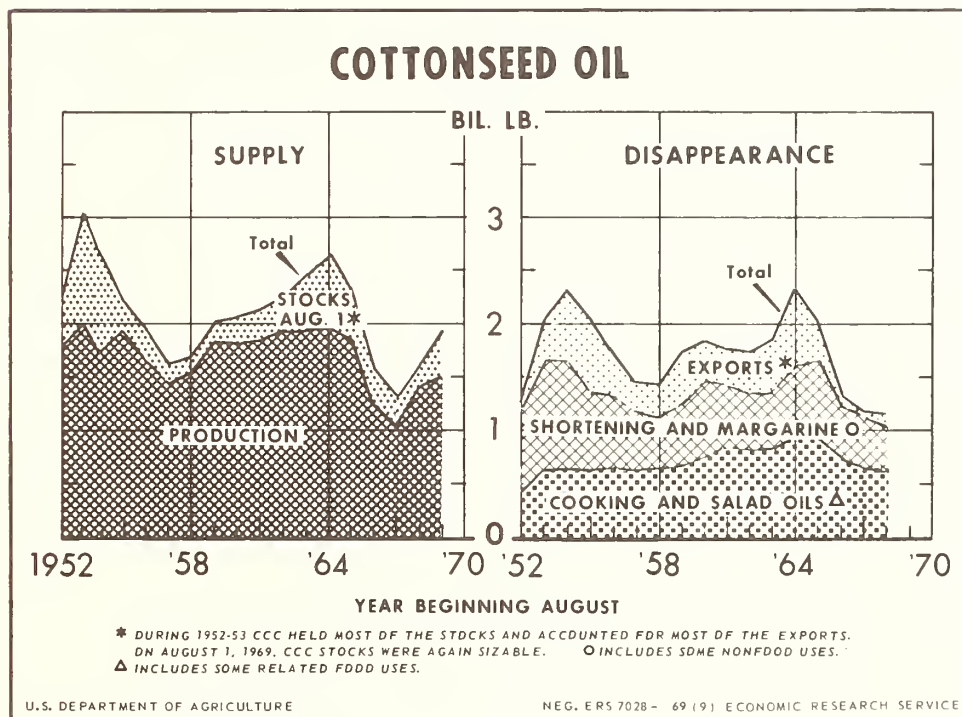
## COTTONSEED OIL: U.S. TRENDS AND MARKET PROSPECTS

TRI-AGENCY READING ROOM

By

MAR 24 1972

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U.S. cottonseed oil supplies for 1969/70 are estimated at about 1.9 billion pounds, a fifth more than last season. The increase is due mostly to the 1968/69 accumulation of CCC stocks.

Domestic use of cottonseed oil declined steadily from 1.7

billion pounds in 1965/66 to a near-record low of 1.0 billion last season, with a sharp drop in its usage as a cooking and salad oil. Soybean oil has largely captured these markets; it is both substitutable and lower priced. (See page 21)

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Cottonseed oil, once a premium commodity used in making salad and cooking oil, has lost markets in recent years as technical developments have permitted major refiners to shift to soybean salad oil.

The shift was accelerated during the 1968/69 marketing year as cottonseed oil prices averaged nearly 3¢ per pound over soybean oil--almost double the historical price spread. The price differential would have been narrower if it had not been necessary for the Commodity Credit Corporation (CCC) to step in and support cottonseed oil prices at a relatively high level. Consequently, the CCC acquired 331 million pounds of cottonseed oil under the price support program--about a fourth of the 1968 crop. Because of its high price, cottonseed oil usage dropped a tenth during the year; soybean oil usage rose by the same proportion. CCC also acquired about 144,000 tons of cottonseed meal under the program--about 7% of the meal produced.

The last previous CCC product purchases under the cottonseed price support program were during 1963/64 when 169 million pounds of cottonseed oil (crude basis) were acquired. When the support program acquisitions were at their peak in the early 1950's, CCC stocks of cottonseed oil reached 1.0 billion pounds on July 31, 1953 (table 16). This oil was subsequently sold into export at world

price levels. During 1951-54, CCC supported cottonseed prices via purchase of products--oil, meal, and linters. A major drawback of the "package program" was CCC's inability to handle and store the meal acquired because it deteriorated when held for any substantial length of time.

Cottonseed oil will continue to face stiff competition in domestic markets during the 1969/70 marketing year even though the cottonseed support price has been reduced from \$48 to \$37 per ton--proportionately more than the drop in soybean price supports, though on a dollar per ton basis, close to the \$10 reduction per ton of soybeans. Cottonseed oil prices likely will average somewhat below the 1968/69 level but above soybean oil. Cottonseed oil and meal will continue to have difficulty in regaining markets which were lost to soybean products, urea, fish meal, and imported palm oil during the 1966-68 period of short cottonseed supplies. This situation could again result in CCC acquiring large quantities of cottonseed oil under the 1969 support program.

Cottonseed is a source of income on about half a million U.S. cotton farms. The value of the relatively small 1968 cottonseed crop was \$234 million; the 1961-65 average value was almost \$300 million.

### Cottonseed Output Up Slightly; Prices to Farmers Down

The 1969 cottonseed crop, as of September 1, was estimated at 4.7 million tons compared with 4.6 million last year and 3.2 million in 1967 (table 17). The slight increase is attributed to the larger cotton acreage--resulting from cancellation of required diversion and diversion payment provisions previously

in effect--since yield per acre this year is off 8%. About 11½ million acres are expected to be harvested in 1969, about 10% above 1968.

The season average price received by farmers for 1969-crop cottonseed is forecast at around \$40 per ton, \$10-\$11



Table 16.--Cottonseed and cottonseed oil: Price support operations, crop years, 1947-69

Crop of	Cottonseed										Price support operations																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
	Level of support 1/										Season average price received by farmers per ton					Placed under loan or purchased under support program					Acquired by CCC																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
	Basis grade (100) per ton		Percentage of parity 3/		Purchase level per ton to		Ginner 4/		Farmer 5/		Production Thou. tons	As oil, crude basis		Percentage of output 6/		As seed Thou. tons	As oil, crude basis		CCC carryout stocks of oil, crude basis, July 31																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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1/ Prices of cottonseed were supported during 1942-45 through purchases of oil, meal, and linters from crushers who paid support prices for cottonseed. In 1949, support was achieved through both loans to and purchases from producers, including purchases of cottonseed made through ginners acting as agents for CCC. In 1950, prices were supported through loans, purchase agreements, and purchases, including purchases of cottonseed from ginners. During 1951-54, prices were supported through loans and purchases, including purchases of oil, meal, and linters from processors and cottonseed from ginners (through purchase agreements, also, in 1951 and 1952). In 1955-62, prices were supported through loans to producers and purchases from producers and ginners. From 1958, however, cottonseed oil purchases were authorized from processors who paid support for cottonseed. In 1963, the loan program was discontinued because only negligible quantities of cottonseed were placed under loan in earlier years. During 1963-65 support was achieved through purchases from producers and participating ginners. Cottonseed products purchase contracts were made with processors who paid support prices for cottonseed. In 1966-69, support achieved primarily through purchase contracts with participating oil mills, whereby cottonseed products are purchased from processors who pay support prices for cottonseed. Standby authority allows cottonseed purchases by CCC if necessary from producers and ginners. Support was permissive in all years.

2/ Until 1963, the announced price support level was equal to the price per net ton to ginners, or the loan settlement rate. The effective price support level was the price per gross ton paid to farmers, which was generally \$4 less than the loan settlement rate. After 1962, the purchase price to farmers was quoted as the support price for cottonseed. 3/ Parity percentages shown for the years 1942-45 are based on the relationship between parity prices as of August 1 and the expected average price to growers. For the period 1949-67, parity percentages shown relate to parity prices on the following dates: 1949, August 1; 1950, September 1; 1951, February 1; 1952, December 1, 1951; 1953, June 1; 1954, April 1; 1955, March 1; 1956, February 1; and 1957-69 August 1. 4/ Price per net ton, f.o.b. gin, basis grade (100). 5/ Price per gross ton, basis grade (100) except where otherwise noted. 6/ Percent of seed or oil production. 7/ Support price, f.o.b. shipping point. Support price was \$1 per ton higher in States other than Oklahoma, Texas (except Bowie County), and New Mexico. 8/ Estimated or expected average price to growers. 9/ Average grade. 10/ Less than 50,000 pounds. 11/ Loan program discontinued. 12/ Based on purchase price. Earlier years based on loan price.

Table 17.--Cottonseed: Acreage, yield, supply, disposition and price, 1930-69

Year beginning August	Cotton acreage		Cottonseed yield per acre		Supply			Disposition				Price per ton		
	Planted 1/	Harvested	Harvested	Planted 1/	Pro- duction	Imports	Stocks at mills, August 1	Total Crushings:	Exports: 2/	Seed used for planting		Residual 4/	Season average price: received by: farmers 5/	Support (purchase price)
										1,000 acres	Pounds			
1930	43,329	42,444	284	278	6,028	6/	45	4,715	---	607	31	726	22.04	---
1931	39,110	38,704	378	374	7,310	1	25	5,328	---	572	31	1,136	8.97	---
1932	36,494	35,891	324	319	5,815	3	300	6,118	---	622	31	654	10.33	---
1933	40,248	29,383	375	370	5,511	1	221	4,157	---	432	31	921	12.88	---
1934	27,860	26,866	317	306	4,256	51	223	4,530	---	435	31	455	33.00	---
1935	28,063	27,509	337	330	4,634	6/	90	4,724	---	475	31	409	30.54	---
1936	30,627	29,755	368	357	5,472	---	22	4,498	---	534	31	420	33.36	---
1937	34,090	33,623	467	460	7,844	---	42	6,326	---	394	31	829	19.51	---
1938	25,018	24,248	408	403	4,950	---	337	5,287	---	389	32	306	21.79	---
1939	24,683	23,805	409	402	4,869	---	121	4,151	---	394	32	405	21.17	---
1940	24,871	23,861	443	435	5,286	---	40	4,398	---	367	32	430	21.73	---
1941	23,130	22,236	410	401	4,553	---	131	4,684	---	367	31	227	47.65	---
1942	23,302	22,602	460	453	5,202	---	82	5,284	3	344	31	349	45.61	---
1943	21,900	21,610	434	428	4,688	---	90	4,778	3	317	32	385	52.10	---
1944	19,956	19,617	500	491	4,902	6/	118	5,020	4	279	32	264	52.70	---
1945	17,533	17,029	430	418	3,664	---	219	3,883	4	286	32	213	51.10	---
1946	18,157	17,584	400	387	3,514	---	118	3,632	8	320	30	114	72.00	No Program
1947	21,360	21,330	439	434	4,682	---	100	4,782	5	315	27	291	85.90	No Program
1948	23,253	22,911	519	511	5,945	---	89	6,034	6	384	28	180	67.20	No Program
1949	27,914	27,439	482	470	6,559	---	132	5,712	11	279	30	401	43.40	46.50
1950	18,629	17,843	460	447	4,105	1	288	4,394	6	419	30	180	86.60	47.00
1951	28,195	26,949	467	446	6,286	---	66	6,352	11	415	30	313	69.30	61.50
1952	27,185	25,921	478	455	6,190	---	137	6,327	13	406	30	190	69.60	62.40
1953	25,244	24,341	554	535	6,748	---	155	6,256	15	346	35	57	52.70	50.50
1954	19,791	19,251	593	586	5,709	---	229	5,938	21	263	30	196	60.30	50.00
1955	17,506	16,928	714	705	6,043	---	209	6,252	16	266	32	205	44.60	42.00
1956	16,833	15,615	693	657	5,407	---	177	4,959	11	222	31	228	53.40	44.00
1957	14,310	13,558	680	671	4,609	---	164	4,247	6	188	30	157	51.10	41.00
1958	12,379	11,849	810	775	4,798	---	175	4,439	4	244	31	186	43.80	41.00
1959	15,833	15,117	793	757	5,991	---	100	6,091	8	238	30	249	38.80	34.00
1960	16,080	15,309	769	732	5,886	---	105	5,991	5	281	34	165	42.60	34.00
1961	16,588	15,634	765	721	5,978	---	188	6,166	7	254	31	86	51.10	45.00
1962	16,293	15,569	789	754	6,139	---	280	6,419	10	232	31	110	47.90	44.00
1963	14,843	14,212	871	834	6,192	---	234	6,426	8	234	32	129	50.70	44.00
1964	14,836	14,055	888	840	6,237	---	168	6,405	7	222	31	94	47.10	44.00
1965	14,152	13,615	894	860	6,087	---	156	5,734	9	153	30	143	46.70	43.00
1966	10,349	9,552	829	765	3,960	9/	204	4,164	5	149	32	10	65.90	48.00
1967	9,448	7,997	803	680	3,210	6/	209	3,107	3	158	29	90	55.20	48.00
1968 8/	10,912	10,160	910	848	4,625	6/	61	4,363	4	154	26	6	50.50	48.00
1969 9/	11,961	11,224	837	785	4,696	---	159	4,855	9/	154	26	37.00	2/40.00	37.00
1970														

1/ In cultivation July 1, 1930-56, planted acres 1957 to date. 2/ Not reported separately prior to 1941. 3/ In the following year. Before 1943, seed used for planting was computed at a constant rate for each State. The United States averaged range between 30 and 32 pounds per acre in cultivation July 1.

4/ Mainly used on farms for feed and fertilizer. 5/ Marketing year weighted average price by States weighted by total sales in each State. 6/ Less than 500 tons. 7/ Based on acres in cultivation July 1 less acres removed to meet allotments. 8/ Preliminary. 9/ Forecast.

below 1968, and about in line with the \$11 per ton reduction in the CCC support price. Support for 1969-crop cottonseed is \$37 per ton, basis (100) grade. By law, cottonseed and soybeans must be supported at levels that will enable them to compete on equal terms in the market.

Cottonseed marketings are highly seasonal. Cotton moves from farm to gin where it is separated into lint and seed. Ginners ship seed to the oil mills about as rapidly as it is acquired. Cotton harvesting begins in south Texas in early July and moves northward, eastward, and westward as the season progresses. In the northern part of the Cotton Belt, picking usually begins by mid-September and is largely completed by December. The

length of the harvesting season depends primarily on weather and on the availability of mechanical harvesters, and in limited areas hand pickers. About 90% of the U.S. cotton crop is now mechanically harvested.

The cottonseed supply is determined primarily by the economic factors that affect cotton. Cottonseed output therefore does not adjust to changing demands and price levels for oilseeds, edible oils, and oilmeals. With each 100 pounds of cotton fiber, cotton plants yield approximately 170 pounds of cottonseed. Only about 5% of this seed is required to plant the following year's crop. The remaining 95% is the basis for the cottonseed crushing industry.

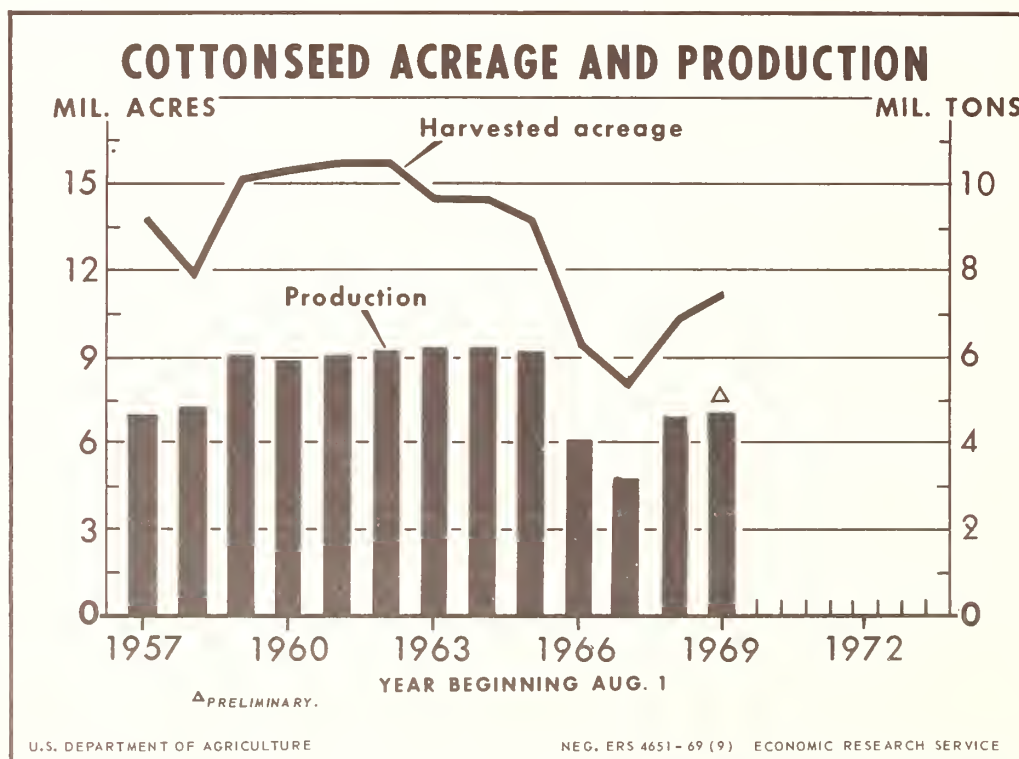


Figure 1



Table 18.--Cottonseed: Harvested acreage, production, crushings, and price, by regions, 1960-69

Year beginning August	West 1/		Southwest 2/		Valley 3/		Southeast 4/		United States
	1,000 acres	Percent of U.S.	1,000 acres	Percent of U.S.	1,000 acres	Percent of U.S.	1,000 acres	Percent of U.S.	1,000 acres
Cotton acreage harvested									
1960	1,577	10.3	6,955	45.4	4,284	28.0	2,493	16.3	15,309
1961	1,409	9.0	7,205	46.1	4,404	28.2	2,616	16.7	15,634
1962	1,418	9.1	7,112	45.7	4,434	28.5	2,605	16.7	15,569
1963	1,310	9.2	6,440	45.3	4,042	28.5	2,420	17.0	14,212
1964	1,306	9.3	6,250	44.5	4,080	29.0	2,421	17.2	14,057
1965	1,241	9.1	6,120	45.0	3,974	29.2	2,280	16.7	13,615
1966	1,006	10.5	4,348	45.5	2,774	29.1	1,424	14.9	9,552
1967	957	11.8	3,895	49.2	2,262	27.8	883	11.2	7,997
1968 5/	1,138	11.2	4,505	44.3	3,049	30.0	1,468	14.5	10,160
1969 6/	1,164	10.3	5,265	46.9	3,377	30.1	1,418	12.7	11,224
Cottonseed production									
	1,000 tons	Percent of U.S.	1,000 tons	Percent of U.S.	1,000 tons	Percent of U.S.	1,000 tons	Percent of U.S.	1,000 tons
1960	1,256	21.3	2,006	34.1	1,834	31.2	789	13.4	5,886
1961	1,151	19.3	2,192	36.7	1,870	31.3	765	12.7	5,978
1962	1,258	20.5	2,140	34.9	1,938	31.6	803	13.0	6,139
1963	1,125	18.2	1,945	31.4	2,186	35.3	936	15.1	6,192
1964	1,145	18.4	1,863	29.9	2,240	35.9	989	15.8	6,237
1965	1,104	18.1	2,051	33.7	2,065	33.9	867	14.3	6,087
1966	787	19.9	1,410	35.6	1,282	32.4	481	12.1	3,960
1967	706	22.0	1,274	39.7	947	29.5	283	8.8	3,210
1968 5/	1,063	23.0	1,597	34.5	1,527	33.0	438	9.5	4,625
1969 6/	998	21.3	1,577	33.6	1,639	34.9	482	10.2	4,696
Cottonseed crushed									
1960	1,102	20.6	1,886	35.2	1,664	31.1	700	13.1	5,352
1961	992	17.9	1,927	34.8	1,884	34.0	736	13.3	5,539
1962	1,139	19.5	2,087	35.8	1,865	32.0	742	12.7	5,833
1963	1,011	17.2	1,961	33.3	2,092	35.5	823	14.0	5,887
1964	919	15.5	1,951	32.9	2,192	37.0	864	14.6	5,926
1965	985	17.2	1,844	32.2	1,990	34.7	915	15.9	5,734
1966	666	17.6	1,366	36.0	1,292	34.1	467	12.3	3,791
1967	682	22.0	1,246	40.1	922	29.7	257	8.2	3,107
1968 5/	960	22.0	1,644	37.7	1,396	32.0	363	8.3	4,363
1969									
Season average price received by farmers for cottonseed									
	Dol.	Percent of U.S.	Dol.	Percent of U.S.	Dol.	Percent of U.S.	Dol.	Percent of U.S.	Dol.
1960	49.32	115	41.05	96	39.70	93	36.32	85	42.60
1961	55.28	108	51.05	100	48.67	95	44.97	88	51.10
1962	50.18	105	47.30	99	46.26	97	44.83	94	47.90
1963	49.38	97	52.75	104	50.44	99	46.72	92	50.70
1964	47.82	102	47.60	101	46.49	99	43.07	91	47.10
1965	47.72	102	46.45	99	45.66	98	42.57	91	46.70
1966	61.49	93	66.45	101	65.14	99	62.40	95	65.90
1967	53.90	98	56.30	102	55.00	100	51.48	93	55.20
1968 5/	51.85	103	49.80	99	49.59	98	49.30	98	50.50
1969									

1/ West includes California, Arizona, New Mexico, and Nevada. 2/ Southwest includes Texas and Oklahoma.  
 3/ Valley includes Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky. 4/ Southeast includes Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama. 5/ Preliminary. 6/ Indicated September 1, 1969.

Table 19.--Cottonseed and Cottonseed Oil: Crushings, production, exports and stocks,  
by quarters, 1964-68

Year and quarter	Cottonseed				Crude Cottonseed Oil				Refined Cottonseed Oil				Total Cottonseed Oil			
	Thou. tons	Thou. tons	Stocks at mills, end of period	Production lb.	Used in refining lb.	Milling lb.	Refining loss lb.	Exports lb.	Stocks, end of period lb.	Production lb.	Once- refined lb.	Exports lb.	Stocks, end of period lb.	Production lb.	Once- refined lb.	Exports lb.
1964/65																
Aug.-Oct.	3,056	1,241	1,983	410	319	16	5.0	32	994	103	1,097	106	54	347	410	192
Nov.-Jan.	2,595	2,121	2,457	704	580	37	6.4	89	1,228	134	1,362	75	39	385	704	203
Feb.-Apr.	1,54	1,715	896	584	525	35	6.7	56	448	138	586	59	46	445	584	161
May-July	108	849	156	301	330	19	5.8	59	78	74	152	66	17	347	301	142
Year	5,913	5,926	156	1,999	1,754	107	6.1	237	78	74	152	306	156	347	1,999	699
1965/66																
Aug.-Oct.	3,044	1,207	1,993	395	343	18	5.2	20	996	80	1,076	78	6	164	395	104
Nov.-Jan.	2,446	2,131	2,308	700	582	30	5.2	60	1,154	101	1,255	53	13	212	700	126
Feb.-Apr.	245	1,679	874	556	552	30	5.4	27	437	119	556	45	10	290	556	82
May-July	47	717	204	245	317	19	6.0	13	102	52	154	15	11	249	245	39
Year	5,782	5,734	204	1,896	1,794	101	5.6	120	102	52	154	191	40	249	1,896	352
1966/67																
Aug.-Oct.	1,595	863	936	282	225	12	5.3	2	465	70	535	7	4	176	282	13
Nov.-Jan.	2,054	1,582	1,407	526	454	26	5.7	4	704	136	840	6	5	299	526	14
Feb.-Apr.	68	977	499	329	369	20	5.4	2	249	136	385	23	14	340	329	39
May-July	79	369	209	124	217	14	6.5	2	104	38	142	4	4	260	124	10
Year	3,796	3,791	209	1,261	1,265	72	5.7	10	104	38	142	40	27	260	1,261	77
1967/68																
Aug.-Oct.	927	551	585	180	146	10	6.8	1	292	61	353	6	5	138	180	12
Nov.-Jan.	1,764	1,351	997	452	392	20	5.1	5	498	90	588	2	6	224	452	13
Feb.-Apr.	237	866	367	289	321	22	6.9	2	184	61	245	5	7	251	289	14
May-July	33	339	61	115	165	9	5.5	2	30	21	51	2	7	137	115	11
Year	2,961	3,107	61	1,036	1,024	61	6.0	10	30	21	51	15	25	137	1,036	51
1968/69																
Aug.-Oct.	1,888	702	1,248	225	167	8	4.8	2	624	64	688	1	4	90	225	8
Nov.-Jan.	2,237	1,631	1,853	528	412	18	4.4	4	926	145	1,071	18	7	201	528	29
Feb.-Apr.	218	1,304	768	429	380	19	5.0	30	384	115	499	15	9	346	429	54
May-July	117	726	158	242	293	18	6.1	8	79	64	143	18	15	376	242	41
Year	4,460	4,363	158	1,424	1,262	64	5.1	44	79	64	143	52	35	376	1,424	132
1969/70																
Aug.-Oct.																
Nov.-Jan.																
Feb.-Apr.																
May-July																
Year																

1/ Represents difference between crude oil used in refining and refined oil production.

2/ Includes hydrogenated oil.

3/ Includes wear-in and oils not fully refined.

Table 20.--Cottonseed: Crushings and yields of oil and meal per ton crushed, and price, by months, crop years 1954-68

Year begin- ning August	Crushings													Total or average
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July		
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
1954	251	532	684	659	609	598	514	438	318	285	197	165		5,249
1955	212	494	708	781	672	692	618	497	387	258	151	119		5,588
1956	182	526	723	678	572	613	492	400	280	226	148	120		4,959
1957	142	348	648	613	544	523	409	327	255	180	127	132		4,247
1958	148	307	711	590	547	547	440	433	324	179	117	97		4,439
1959	149	502	778	723	656	633	577	528	374	252	177	143		5,491
1960	140	413	758	742	613	667	526	480	402	292	176	143		5,352
1961	144	334	750	753	629	659	598	539	437	298	215	183		5,539
1962	228	513	752	778	646	707	627	548	415	291	176	153		5,833
1963	221	485	726	745	637	697	616	544	451	348	242	174		5,887
1964	170	392	679	733	705	683	612	630	472	382	260	206		5,926
1965	152	411	644	716	701	714	655	608	415	333	228	156		5,734
1966	152	205	506	550	530	503	379	381	217	133	144	92		3,791
1967	138	106	307	497	426	429	342	293	231	148	103	87		3,107
1968 1/	73	125	504	523	537	570	477	443	385	336	238	153		4,363
1969	128													
Yield of oil per ton crushed														
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	
1954	332	311	321	327	324	328	331	345	348	358	341	345		331
1955	332	323	334	336	337	334	342	343	352	354	360	367		339
1956	320	314	335	339	337	339	347	349	358	363	365	356		340
1957	341	331	345	334	333	334	345	341	343	343	340	341		339
1958	326	314	336	343	337	344	347	344	360	365	356	359		342
1959	337	326	336	336	336	335	341	343	350	344	354	359		339
1960	349	323	340	336	336	336	340	340	343	345	343	336		338
1961	339	327	340	341	334	333	336	338	335	330	348	347		337
1962	329	326	327	332	330	329	333	338	341	348	354	335		333
1963	319	323	336	338	333	332	336	342	343	342	358	348		336
1964	329	324	325	332	332	333	336	338	348	353	358	352		337
1965	329	323	329	330	329	326	328	332	335	340	356	325		331
1966	322	331	327	333	331	334	334	338	341	325	345	327		333
1967	328	317	326	336	331	336	333	338	330	354	343	314		333
1968 1/	314	317	323	320	323	327	329	331	331	334	339	329		326
1969	324													
Yield of meal per ton crushed														
1954	971	979	966	972	966	981	991	1,000	969	981	968	947		976
1955	974	944	928	949	943	928	931	926	926	956	985	1,051		942
1956	939	946	960	969	962	957	972	963	975	999	987	978		964
1957	1,000	963	928	918	910	913	917	915	921	905	877	901		922
1958	940	881	940	950	952	922	917	902	937	959	945	934		929
1959	939	906	925	931	925	916	928	934	940	926	940	981		928
1960	981	917	929	931	938	930	941	936	942	944	966	931		936
1961	950	895	906	911	912	908	898	901	879	879	928	929		905
1962	905	927	933	941	936	926	940	940	950	952	985	942		937
1963	914	923	954	949	957	937	950	953	944	949	965	1,006		948
1964	972	928	933	925	922	923	927	935	943	951	970	959		935
1965	946	930	924	945	949	935	932	945	951	944	961	929		940
1966	930	989	940	946	941	944	945	966	986	947	939	958		950
1967	953	928	921	922	925	924	944	957	934	994	925	896		934
1968 1/	919	873	919	918	918	896	906	908	908	921	899	887		910
1969	938													
Average price per ton received by farmers, United States, 2/ 3/														
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	
1954	61.30	61.60	60.20	59.40	59.60	56.80	55.20	53.40	53.40	53.10	52.00	54.00		60.30
1955	50.10	43.70	43.50	44.30	45.00	45.50	46.20	46.80	46.90	47.30	47.40	49.00		44.60
1956	51.00	47.70	54.10	59.20	59.90	60.40	58.60	60.60	---	---	---	55.00		53.40
1957	55.70	53.20	49.80	50.00	50.50	51.20	49.40	51.20	---	---	---	45.00		51.10
1958	47.60	45.50	43.20	43.50	43.00	43.30	43.80	45.40	---	---	---	42.00		43.80
1959	42.80	37.90	39.10	38.80	39.10	39.60	39.60	39.80	---	---	---	38.00		38.80
1960	38.90	39.20	42.60	44.40	45.20	44.60	44.70	44.80	---	---	---	49.00		42.60
1961	49.90	47.50	51.50	52.40	51.50	50.90	51.50	50.90	---	---	---	49.00		51.10
1962	47.40	47.30	47.80	48.10	47.60	48.20	48.50	49.00	---	---	---	49.00		47.90
1963	50.60	49.60	51.50	51.80	50.70	49.00	48.70	46.30	---	---	---	49.00		50.70
1964	44.90	44.70	47.30	47.70	48.60	49.20	48.20	47.70	---	---	---	46.00		47.10
1965	45.80	46.30	46.70	46.40	47.80	47.80	47.50	47.60	---	---	---	---		46.70
1966	62.90	65.50	65.90	65.60	65.90	65.30	63.30	63.50	---	---	---	59.00		65.90
1967	52.00	51.80	54.10	56.00	57.00	56.40	57.80	56.10	---	---	---	---		55.20
1968 1/	52.90	51.00	50.50	50.50	50.30	49.90	50.20	49.90	---	---	---	---		50.50
1969	37.00	37.80												

1/ Preliminary.

2/ Monthly prices by States weighted by sales to obtain a weighted average for the United States; season average prices by States weighted by sales during the crop marketing season to obtain the United States average.

3/ Season average price includes an allowance for unredeemed loans.



Crushings Increase Since Small Crop in 1967

Stocks of cottonseed at crushing mills on August 1, 1969, the beginning of the marketing year, totaled 159,300 tons compared with 60,800 tons last year. This brings total supplies of cottonseed for 1969/70 to an estimated 4.9 million tons, nearly 4% above last year. Crushings for the season are forecast at 4.5 million tons, up from the 4.4 million in 1968/69. A crush this size would produce around 1.5 billion pounds of crude cottonseed oil (1.4 billion in 1968/69) and 2.1 million tons of cottonseed meal (2.0 million tons last season).

Cottonseed crushings are also seasonal but not to the same extent as the movement of seed from the gins to the mills. Roughly half of the year's supply of seed reaches the mills during August-October. By the end of January, 94% of the year's crop is already crushed or in storage at the oil mills. While some cottonseed is processed every month, about 20% of the season's crush occurs during August-October and nearly 60% by the end of January (table 19). Most crushers operate round-the-clock because of the rapid movement of seed early in the season and the perishability of cotton seed (especially when moisture content is high).

According to trade sources, about half the U.S. cottonseed crop is processed by solvent extraction (prepress and direct) and the other half is handled mainly by continuous mechanical screw presses. Shifts in the areas of cotton production over the years--from the Southeast to the Mississippi Valley and West--along with relatively small crops during the past 3 years, have resulted in excess crushing capacity for the cottonseed industry and a reduction in the number of plants. Some cottonseed mills crush other oilseeds such as soybeans and peanuts, when supplies are available.

The proportion of the U.S. cottonseed crop crushed in the Southeast declined from an average of 14% in 1963-65 to less than 10% in 1966-68. Meanwhile, the Mississippi Valley's share dropped from 36% to 32%. On the other hand, the Southwest increased its share from 33% to 38% while the West rose from 17% to over 20% (figure 2).

Yields of cottonseed per acre in the West average about  $2\frac{1}{2}$  times those in the Southeast. For this reason, the West accounted for only 11% of the U.S. cotton acreage in 1968 but 23% of the seed produced (table 18). In contrast, the Southeast comprised  $14\frac{1}{2}$ % of total acreage but only  $9\frac{1}{2}$ % of the 1968 cottonseed crop.

Crusher Spread Narrows

Each of the 4 major products turned out by cottonseed crushing mills enters markets that are highly competitive with substitute products. Oil is the most valuable primary product, accounting for about half the total value of cottonseed products. Meal ranks second, comprising about one-third of the total value. The oil is used almost entirely as a food whereas the meal (protein) and hulls (roughage) are used principally as livestock feed. Linters enter into a wide variety of chemical and nonchemical products.

Cottonseed crushers consider prospects for the combined value of products in determining prices they will offer for seed. For this reason, the season average price received by farmers for cottonseed usually varies with the total value of products obtained per ton of cottonseed. During 1968/69 the spot price spread between the total value of products (Memphis) and the price received by farmers for cottonseed narrowed (table 21).

Table 21.--Cottonseed: Yield, price, and value of products per ton of seed crushed and price spread, 1930-68

Year begin- ning August	Per ton of seed crushed												Cotton- seed, season average price received 2/ Dollars	Spread between value of products and cotton- seed farm price Dollars				
	Oil				Meal				Linters						Hulls			
	Yield	Price 1/ Cents	Value Dollars	Pounds	Yield	Price 1/ Cents	Value Dollars	Pounds	Yield	Price 1/ Cents	Value Dollars	Pounds			Yield	Price 1/ Cents	Value Dollars	Pounds
1930	306	6.41	19.61	918	1.33	12.21	101	1.89	1.91	553	.46	2.54	36.27	22.00	14.27			
1931	318	3.19	10.14	901	.69	6.22	97	1.30	1.26	567	.35	1.98	19.60	8.97	10.63			
1932	313	3.51	10.99	906	.79	7.16	95	1.30	1.24	568	.20	1.14	20.53	10.30	10.23			
1933	313	4.07	12.74	909	1.09	9.91	114	3.35	3.82	531	.21	1.12	27.59	12.90	14.69			
1934	312	8.48	26.46	910	1.62	14.74	136	4.32	5.88	514	.61	3.14	50.22	33.00	17.22			
1935	305	8.63	26.32	911	1.12	10.20	138	3.85	5.31	518	.50	2.59	44.42	30.50	13.92			
1936	303	9.15	27.72	903	1.72	15.53	151	4.23	6.39	509	.57	2.90	52.54	33.40	19.14			
1937	310	6.53	20.24	895	1.12	10.02	139	2.08	2.89	514	.36	1.85	35.00	19.50	15.50			
1938	315	5.96	18.77	905	1.11	10.05	149	1.78	2.65	519	.42	2.18	33.65	21.80	11.85			
1939	319	5.62	17.93	907	1.38	12.52	155	2.85	4.42	508	.56	2.84	37.71	21.20	16.51			
1940	324	6.52	21.12	888	1.33	11.81	165	3.63	5.99	504	.55	2.77	41.69	21.70	19.99			
1941	312	12.13	37.85	874	1.83	15.99	179	4.50	8.06	495	.50	2.48	64.38	47.60	16.78			
1942	311	12.60	39.19	887	1.89	16.76	183	4.41	8.07	482	.51	2.46	66.48	45.60	20.88			
1943	313	12.62	39.50	928	2.43	22.55	178	4.35	7.74	469	.60	2.81	72.60	52.10	20.50			
1944	311	12.62	39.25	919	2.42	22.24	176	4.40	7.74	463	.65	3.01	72.24	52.70	19.54			
1945	312	12.62	39.37	879	2.75	24.17	182	4.58	8.34	480	.66	3.17	75.05	51.10	23.95			
1946	315	24.58	77.43	882	3.73	32.90	191	9.46	18.07	471	.80	3.77	132.17	85.90	60.17			
1947	313	26.21	82.04	930	4.10	38.13	186	6.70	12.46	452	.78	3.53	136.16	85.90	50.26			
1948	320	15.38	49.22	897	2.95	26.46	183	3.94	7.21	463	.33	1.53	84.42	67.20	17.22			
1949	323	12.48	40.31	895	2.94	26.31	176	5.61	9.87	469	.35	1.64	78.13	43.40	34.73			
1950	321	20.37	65.39	896	3.57	31.99	185	16.21	29.99	461	.90	4.15	131.52	86.60	44.92			
1951	320	12.97	41.50	930	3.87	35.99	185	8.68	16.06	451	.87	3.92	97.47	69.30	28.17			
1952	328	14.20	46.58	961	3.61	34.69	184	5.95	10.95	431	.86	3.71	95.93	69.60	26.33			
1953	332	13.39	44.45	946	3.06	28.95	184	4.58	8.43	444	.58	2.58	84.41	52.70	31.71			
1954	331	13.18	43.63	976	3.15	30.74	188	3.94	7.41	434	.71	3.08	84.86	60.30	24.56			
1955	339	12.86	46.99	942	2.56	24.12	177	3.76	6.66	447	.28	1.25	79.02	44.60	34.42			
1956	340	13.27	45.12	964	2.60	25.06	181	5.08	9.19	433	.35	1.52	80.89	53.40	27.49			
1957	338	13.36	45.16	922	2.78	25.63	176	4.36	7.67	450	.35	1.58	80.04	51.10	28.94			
1958	342	11.43	39.09	928	3.03	28.12	179	3.43	6.14	463	.35	1.62	74.97	43.80	31.17			
1959	339	9.96	33.76	928	2.78	25.80	181	3.85	6.97	458	.35	1.60	68.13	38.80	29.33			
1960	338	11.64	39.34	936	2.76	25.83	177	4.10	7.26	455	.35	1.59	74.02	42.60	31.42			
1961	337	12.39	41.75	905	2.96	26.79	176	5.25	9.24	478	.50	2.39	80.17	51.10	29.07			
1962	333	10.37	34.53	937	3.28	30.73	171	3.85	6.58	464	.75	3.48	75.32	47.90	27.42			
1963	336	9.87	33.16	948	3.17	30.05	171	3.50	5.98	455	.75	3.41	72.60	50.70	21.90			
1964	337	11.52	38.82	934	3.00	28.02	176	3.89	6.85	458	.75	3.44	77.07	47.10	29.97			
1965	331	12.83	42.47	940	3.44	32.34	174	4.24	7.38	453	.90	4.08	86.27	46.70	39.57			
1966	333	12.89	42.92	950	3.93	37.34	188	6.62	12.45	457	1.10	5.03	97.74	65.90	31.84			
1967	333	12.89	42.92	950	3.93	37.34	188	6.62	12.45	457	1.10	5.03	97.74	65.90	31.84			
1968 3/	326	11.56	37.69	909	3.34	30.36	189	4.57	8.63	470	.55	2.58	93.68	55.20	38.48			
1969													79.38	50.50	28.88			
1970																		

1/ Simple average price per pound for the 12 months of the marketing year beginning August using the following quotations: Cottonseed oil, crude, f.o.b. southeastern mills; beginning 1937 f.o.b. Valley points; cottonseed meal, 41 percent protein, bulk, carlots, Memphis; cottonseed hulls, carload lots, Atlanta; linters weighted average price for all grades and market points, f.o.b. mills. 2/ Estimated by ERS beginning in 1956. 3/ Preliminary.



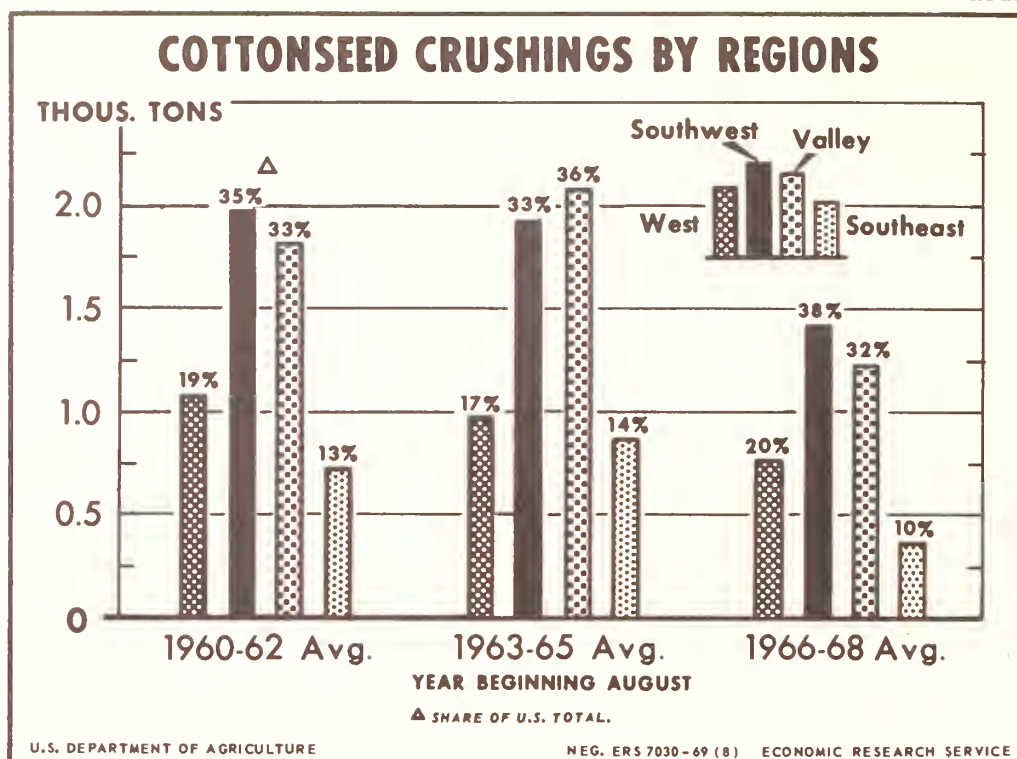


Figure 2

#### Cottonseed Oil Supply Rising--Usage Declining

Beginning stocks of cottonseed oil (crude and refined) on August 1, 1969, were 440 million pounds, nearly 3 times as great as in 1968. The increase was due entirely to CCC holdings of 331 million pounds, whereas a year ago, the Corporation had no inventory of cotton oil. Output for the 1969/70 season is forecast at 1,500 million pounds, bringing total cottonseed oil supplies to 1,940 million pounds. This is 350 million pounds or 22% above the previous year's supply and 45% more than in 1967/68 (table 23).

Domestic disappearance of cottonseed oil during the current marketing year is forecast to total around the 1.0 billion pounds utilized in 1968/69, which was the smallest since 1946. The lowest annual consumption in years on record occurred in 1921 when 0.9 billion pounds were utilized and the record high of 2.0 billion pounds was achieved in 1937. In the post World War II era, the highest level occurred in 1953, when 1.7 billion

pounds were used. In more recent years cottonseed oil consumption has dropped steadily from just under 1.7 billion pounds in 1965 to the 1.0 billion pounds last season.

Cooking and salad oil is the major outlet for cottonseed oil, accounting for three-fifths of total domestic use (table 24). In recent years manufacturers of cooking and salad oils have been turning more to blended vegetable oils or switching to lower priced soybean oil. Cottonseed oil going into salad and cooking oils fell 36% during the past 5 years--from 1.0 billion pounds in 1964 to 0.6 billion in 1968. Consumption in margarine and shortening has also dropped but not to the same extent. Soybean oil has captured a good share of these traditional markets from cottonseed oil; mainly because of improved quality, making it substitutable for cottonseed oil, and lower prices. The outlook for cottonseed oil recouping these former markets is bleak unless its price becomes competitive once again with

Table 22.—Cottonseed oil: Supply, disposition and price, by months, crop years, 1955-69

Year begin- ning August	Production												Total or Average
	August	September	October	November	December	January	February	March	April	May	June	July	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	70	159	237	263	227	231	211	171	136	91	54	43	1,894
1956	58	165	242	230	193	208	170	139	100	82	54	43	1,685
1957	48	115	224	204	181	175	141	112	87	62	43	45	1,438
1958	48	96	239	202	185	188	153	149	117	65	42	35	1,518
1959	50	164	262	243	220	212	197	181	131	87	63	51	1,861
1960	49	133	258	249	206	224	179	164	138	101	60	48	1,808
1961	49	109	255	257	210	219	201	182	146	98	75	64	1,865
1962	75	167	244	255	218	232	209	185	141	101	62	51	1,942
1963	70	157	244	252	212	231	207	186	155	119	87	60	1,981
1964	56	127	227	243	234	227	206	214	165	135	93	73	1,999
1965	50	133	212	236	231	233	215	202	139	113	81	51	1,896
1966	49	68	166	183	175	168	127	129	74	44	50	30	1,261
1967 1/	45	34	101	167	141	144	114	99	76	53	36	27	1,036
1968 1/	23	40	163	168	174	186	156	146	127	112	80	50	1,424
1969	41												
Stocks, first of month													
1955	398	346	361	439	528	570	609	597	552	540	462	366	
1956	284	232	254	345	401	416	437	457	395	353	275		
1957	202	136	146	203	242	257	281	298	314	280	251		
1958	168	128	121	226	294	387	424	437	481	414	347		
1959	212	152	190	299	380	454	476	480	524	500	448		
1960	287	200	217	321	390	427	434	463	448	330	379		
1961	250	183	170	245	320	392	434	489	478	513	458		
1962	324	271	296	380	461	530	610	671	699	675	619		
1963	514	466	488	555	637	694	740	804	802	812	774		
1964	624	513	433	450	535	506	519	547	569	583	560		
1965	421	292	236	281	300	300	313	366	396	409	392		
1966	301	233	202	246	309	382	435	477	514	477	417		
1967 1/	298	246	207	199	229	252	314	328	325	312	263		
1968 1/	158	119	99	153	214	273	346	377	430	461	466		
1969	440												
Exports 2/													
1955	25	50	22	38	69	56	56	96	43	52	72	53	634
1956	22	31	13	49	74	51	36	61	29	4	41	22	434
1957	29	14	33	32	60	21	17	16	34	10	9	9	286
1958	3	2	4	15	19	31	17	9	97	53	25	66	342
1959	51	17	64	46	41	66	79	42	50	28	10	28	522
1960	34	15	13	55	32	45	24	24	71	42	22	14	390
1961	15	14	47	34	44	81	35	28	28	44	40	58	470
1962	21	9	12	46	35	18	31	68	35	60	16	19	374
1963	24	22	25	31	41	53	49	76	38	54	43	27	483
1964	87	59	47	33	100	70	50	66	45	48	52	43	701
1965	56	31	19	38	49	40	33	38	11	12	23	4	354
1966	3	4	6	5	6	4	5	9	26	2	3	5	79
1967 1/	3	3	7	5	4	5	2	4	9	1	5	5	52
1968 1/	1	4	4	12	10	7	30	10	15	13	5	23	134
1969	7												
Domestic disappearance 3/													
1955	97	95	136	136	116	136	168	118	105	117	79	73	1,375
1956	88	113	138	126	104	135	115	108	104	120	90	94	1,333
1957	86	91	134	133	106	129	107	79	87	80	71	83	1,186
1958	85	100	130	120	72	120	123	96	86	80	90	29	1,132
1959	59	109	88	116	105	124	114	95	105	111	145	92	1,263
1960	102	102	141	125	136	172	125	155	82	113	104	98	1,455
1961	101	108	133	148	94	95	111	165	83	109	92	83	1,321
1962	108	132	151	130	110	134	114	89	131	96	104	79	1,379
1963	95	113	152	138	115	132	95	112	106	103	105	122	1,387
1964	81	148	163	125	162	145	127	126	104	110	108	103	1,503
1965	123	158	186	161	163	179	129	135	115	118	106	89	1,662
1966	114	95	116	114	97	111	80	91	85	101	98	98	1,201
1967 1/	95	69	103	134	113	78	97	102	80	100	91	66	1,129
1968 1/	64	61	104	95	105	106	94	83	82	94	74	54	1,016
1969													
Price per pound, crude, tank cars, f.o.b., Valley													
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1955	12.24	11.12	11.19	10.88	11.19	11.96	13.32	14.75	15.11	15.31	14.33	12.92	12.86
1956	12.28	11.75	13.30	13.72	13.94	14.31	13.86	13.48	13.08	12.75	13.12	13.65	13.27
1957	12.84	12.50	12.47	13.64	14.44	14.78	14.38	13.47	13.57	13.66	12.50	12.06	13.36
1958	11.58	11.29	10.97	11.22	10.80	10.88	10.81	10.85	11.25	12.61	13.00	12.94	11.52
1959	11.97	10.49	9.50	9.09	8.88	9.30	9.27	9.43	9.98	10.35	11.02	10.18	9.96
1960	10.10	9.34	9.58	9.98	10.03	11.08	12.09	12.81	14.11	14.02	13.16	13.33	11.64
1961	13.60	13.25	11.97	12.20	12.75	12.72	12.44	12.41	12.32	11.94	11.69	11.40	12.39
1962	10.90	10.47	10.50	10.03	9.91	9.87	9.97	10.25	10.32	10.60	10.69	10.91	10.37
1963	10.15	9.81	10.48	10.16	9.34	9.00	9.00	9.47	9.83	10.38	10.38	10.43	9.87
1964	10.31	10.16	10.72	11.59	12.12	12.38	12.88	12.95	12.56	11.32	10.78	10.50	11.52
1965	10.50	10.83	11.03	11.56	11.85	12.46	12.93	13.52	14.25	14.68	15.03	15.34	12.83
1966	16.62	15.16	13.25	13.08	12.81	11.97	12.06	11.90	11.82	12.08	12.10	11.81	12.89
1967 1/	11.05	11.87	11.09	11.00	11.44	12.13	12.78	12.59	12.91	14.32	15.06	15.05	12.67
1968 1/	16.44	13.06	10.37	10.60	10.50	10.47	10.84	11.09	11.12	11.35	11.69	11.18	11.56
1969	10.88												

1/ Preliminary. 2/ 1955-56 includes exports from CCC holdings that were not reported by Census. 1961-64 includes estimates of foreign donations not reported by Census. Beginning January 1965 includes shipments. 3/ Includes 17 million pounds imported in 1966, 5 million pounds in 1967, and 8 million pounds in 1968.

Table 23.--Cottonseed oil: Supply, disposition, oil equivalent of exports of cottonseed and price, 1958-69

Year beginning August	Supply				Disposition		Cottonseed (oil equivalent of exports)	Price per pound Crude, Valley
	Production	Imports	Stocks, August 1	Total	Exports and shipments	Domestic disap- pearance		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
1958	1,518	---	168	1,686	342	1,132	2	11.5
1959	1,861	---	212	2,073	522	1,263	3	10.0
1960	1,808	---	287	2,095	1/390	1,455	2	11.6
1961	1,865	---	250	2,115	1/470	2/1,430	2	12.4
1962	1,942	---	324	2,266	1/374	1,379	3	10.4
1963	1,981	---	514	2,495	1/483	1,387	3	9.9
1964	1,999	---	624	2,624	1/701	2/1,611	2	11.5
1965	1,896	---	421	2,317	348	1,668	3	12.8
1966	1,261	4/17	301	1,579	79	1,201	2	12.9
1967	1,036	5	298	1,338	52	1,129	1	12.7
1968 3/	1,424	8	158	1,590	134	1,016	1	11.6
1969 2/	1,500	---	440	1,940		1,025		

1/ Includes estimates of foreign donations not reported by Census; beginning January 1965 foreign donations reported by Census.

2/ Factory consumption figures used for years in which reported factory consumption exceeds domestic disappearance.

3/ Preliminary.

4/ Includes 7 million pounds imported in July 1967 not shown in Census report.

5/ Forecast, except stocks, August 1.

Table 24.--Cottonseed oil: Utilization, year beginning August, 1958-68

Year beginning August	Food uses					Nonfood uses			Total domestic disap- pearance
	Shortening	Margarine	Salad and cooking oils	Other	Total	Foots and loss	Other	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1958	233	124	640	39	1,036	89	7	96	1,132
1959	332	122	670	20	1,144	115	4	119	1,263
1960	380	158	775	7	1,320	127	7	134	1,455
1961	356	110	847	10	1,323	101	7	108	1/1,430
1962	340	103	732	85	1,260	112	6	118	1,379
1963	351	103	808	19	1,281	95	11	106	1,387
1964	365	102	1,000	20	1,487	107	16	123	1/1,611
1965	453	119	957	27	1,557	101	10	111	1,668
1966	286	90	719	25	1,120	72	8	80	1,201
1967	270	74	682	35	1,061	59	9	68	1,129
1968 2/	222	68	614	42	946	64	6	70	1,016

1/ Factory consumption figures used for years in which reported factory consumption exceeds domestic disappearance.

2/ Preliminary.

Table 25.--Cottonseed cake and meal: Supply, disposition and price, 1958-69

Year beginning August	Supply				Disposition			Price per ton
	Production	Imports	Stocks, Aug. 1 1/	Total supply	Exports and shipments	Feed and other uses 2/	Total disposition	
	tons	tons	tons	tons	tons	tons	tons	Dollars
1958	2,061	150	112	2,323	6	2,202	2,208	60.55
1959	2,547	32	116	2,696	147	2,359	2,506	55.65
1960	2,504	43	190	2,738	57	2,538	2,595	55.10
1961	2,506	72	143	2,721	7	2,580	2,587	59.25
1962	2,734	45	134	2,913	97	2,625	2,722	65.60
1963	2,790	33	190	3,013	55	2,709	2,764	63.35
1964	2,769	14	249	3,032	145	2,719	2,864	59.90
1965	2,725	42	168	2,935	110	2,700	2,810	68.80
1966	1,801	59	134	1,994	9	1,838	1,847	78.55
1967	1,450	47	148	1,646	3	1,485	1,488	77.40
1968 3/	1,983	33	158	2,174	10	2,003	2,013	66.72
1969 4/	2,100	25	155	2,280		2,100		

1/ Stocks at crushing mills.

2/ Includes small quantities of cottonseed meal used for fertilizer on farms of cotton growers.

3/ Preliminary.

4/ Forecast, except stocks, August 1.



soybean oil. Some former large users of cottonseed oil will pay little if any premium for cottonseed oil versus soybean oil. Lost oil markets are difficult to recapture.

In some countries, there is still some preference for cottonseed oil over soybean oil because of its desirable quality characteristics and historical use. This preference is declining in the United States.

As shown in figure 3, total edible vegetable oil use per person trended upward from 24 pounds in 1956 to 36 pounds in 1968, an increase of 50%. This gain parallels the growth in soybean oil usage, which climbed from 13 pounds

to 25 pounds. In sharp contrast, cottonseed oil use during 1956-68 fell from about  $7\frac{1}{2}$  pounds to  $4\frac{1}{2}$  pounds per person.

USDA announced in August 1969 that it will donate domestically about 53 million pounds of cottonseed oil products to needy families, charitable institutions and nonprofit school feeding programs (authorized by Section 416 of the Agricultural Act of 1949, as amended). Under the program, CCC engages in contracts for sale of its once-refined cottonseed oil (acquired from 1968-crop cottonseed) and the simultaneous purchase of equivalent quantities of packaged shortening (hydrogenated cottonseed oil) and salad oil.

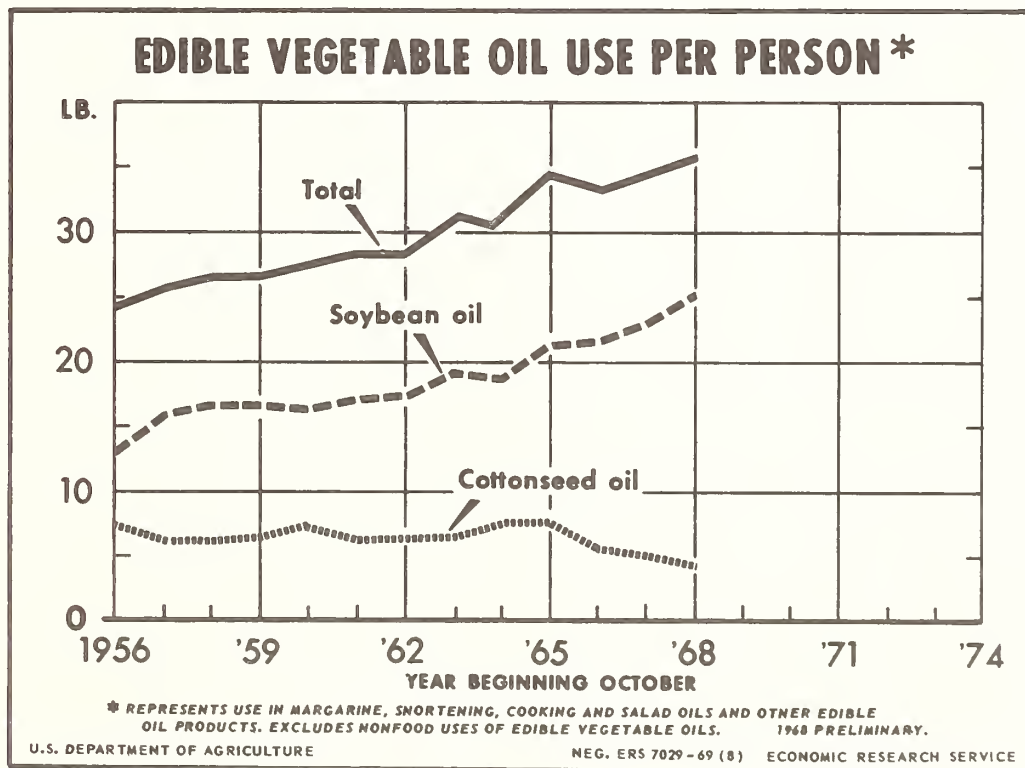


Figure 3

Table 26.--Cottonseed, cottonseed oil and cottonseed meal: U.S. exports  
by country of destination, 1965-68

Country of destination	Year beginning August											
	Cottonseed				Cottonseed oil				Cottonseed meal			
	1965	1966	1967	1968	1965	1966	1967	1968	1965	1966	1967	1968
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 tons	1,000 tons	1,000 tons	1,000 tons
<b>North America:</b>												
Canada	.3	.2	.3	.3	46,713	8,114	7,558	14,935	2.8	3.2	2.7	2.1
Mexico	1.0	1.4	1.1	1.6	35,557	30	23	1/	---	.2	---	.3
Nicaragua	2.0	.2	.2	.1	---	---	---	1/	---	---	---	---
Other	.7	1.0	.7	.6	4,412	2,965	2,269	1,280	.2	.2	.2	.1
Total	4.0	2.8	2.3	2.6	86,682	11,109	9,850	16,215	3.0	3.6	2.9	2.5
<b>South America:</b>												
Colombia	.5	.2	.2	.1	---	---	---	1/	---	---	---	---
Venezuela	.1	.1	.1	.1	32,952	30,794	35,906	65,051	---	---	---	---
Other	.1	.2	.1	1/	693	844	546	258	.4	---	---	.1
Total	.7	.5	.3	.3	33,645	31,638	36,452	65,309	.4	---	---	.1
<b>Western Europe:</b>												
Belgium	---	---	---	---	550	24	6	10	2.1	---	---	---
Denmark	---	---	---	---	7	3	4	---	64.7	---	---	---
France	---	---	---	---	8	8	10	33	10.9	.3	---	---
Germany, West	---	---	---	---	55,990	---	385	15,319	2.4	.1	.2	.1
Ireland	---	---	---	---	---	---	---	---	13.7	---	---	---
Italy	---	---	---	---	---	19	6	15	---	---	---	---
Netherlands	---	---	---	---	7,492	623	478	10,047	2.2	---	---	---
Norway	---	---	---	---	---	---	---	---	3.8	---	---	---
Spain	4.0	1.0	.4	---	---	---	---	6,125	---	---	---	---
Sweden	---	---	---	.5	6,724	1,823	---	---	---	---	---	---
United Kingdom	---	---	---	1/	28	1,333	69	62	---	---	---	---
Other	.3	---	.1	---	1,771	1,317	67	4	.8	---	---	1/
Total	4.3	1.0	.5	.6	72,572	5,150	1,025	31,615	100.6	4.1	.2	.1
<b>Africa:</b>												
Egypt	---	---	---	---	66,928	25,508	---	17,158	---	---	---	---
Morocco	---	---	---	---	24,229	32	---	---	---	---	---	---
Other	.2	.1	1/	1/	7,359	144	8	19	---	---	---	---
Total	.2	.1	1/	1/	98,516	25,684	8	17,177	---	---	---	---
<b>Asia:</b>												
India	---	---	---	---	11,010	---	---	---	---	---	---	---
Iran	---	---	---	---	11,674	192	10	11	---	---	---	---
Japan	---	---	---	1/	10,106	1,069	1,852	294	---	---	---	7.4
Pakistan	---	---	---	---	21,826	---	6	---	---	---	---	---
Turkey	---	---	---	.2	2,205	---	252	185	---	---	---	---
Other	.4	.3	1/	.2	3,420	1,934	1,155	1,043	.2	---	---	---
Total	.4	.3	1/	.4	60,241	3,195	3,275	1,533	.2	.2	---	7.4
Grand Total	9.5	4.7	3.2	3.9	351,656	76,776	50,610	131,849	104.2	8.0	3.1	10.1

1/ Less than 50 tons.



Cottonseed Oil Export Prospects Improve  
With Lower Prices

Lower U.S. cottonseed oil prices along with increased availabilities point to increased commercial exports of cottonseed oil in 1969/70. Furthermore, CCC is offering cottonseed oil for export sale to certain countries. Thus, cottonseed oil exports during 1969/70 may increase sharply over the 132 million pounds shipped abroad last year.

USDA announced in August 1969 that it will offer for export sale about 100 million pounds of once-refined cottonseed oil (PBSY grade--prime, bleachable, summer yellow) from its inventory on a competitive bid basis to Latin American countries, Japan, Hong Kong, UAR (Egypt), Israel and Iran. Additional quantities may be offered. As of September 26, CCC had sold 56 million pounds (PBSY) under the program at an average price of 9.3¢ per pound at port positions. On August 1, 1969, CCC owned about 310 million pounds of cottonseed oil acquired under the 1968 price-support program. Most of this quantity is once-refined oil (PBSY), which was originally tendered and accepted as crude oil by CCC, but delivered as refined. The refining loss for cottonseed oil averages about 6%.

U.S. exports of cottonseed oil dropped sharply from a record 701 million pounds in the 1964/65 marketing year to only 51 million in 1967/68. Lately, South America has been the major foreign market. In earlier years, Western Europe was the major taker--before this market was lost to other competitive

edible oils such as sunflower, soybean, and peanut (table 26).

Cottonseed oil prices (crude, f.o.b. Valley points) during the 1968/69 marketing year averaged 11.5¢ per pound, about a cent less than the year before. Prices at the beginning of the marketing year were quite high (16.4¢ in August 1968) reflecting the low carryover of cottonseed oil from the previous year's short crop. When the 1968 crop oil was available in volume, prices dropped sharply to 10.4¢ in October, and CCC started accepting oil tenders under the support program. Prices then gradually increased, reaching 11.7¢ in June 1969.

Prices of cottonseed oil in August 1969, the first month of the current marketing year, were 10.9¢ per pound, about 5½¢ below a year earlier. When the crushings of new-crop cottonseed pick up in volume--usually peaking in October--prices are expected to decline seasonally and probably will average somewhat below the 10½¢ level of October-December 1968. Increased supplies and lower support prices for 1969-crop cottonseed will put pressure on cottonseed oil prices in 1969/70. While cottonseed oil prices likely will average lower in 1969/70 than last year, they probably will not drop to the level of soybean oil prices. The prospective 1969/70 supply and demand situation for cottonseed oil indicates that CCC purchases may be necessary to maintain reasonable operating margins to the crusher.

Price Premium of Cottonseed Oil Over Soybean  
Oil to Narrow This Year

Wholesale prices of the major food fats--soybean oil, cottonseed oil, and lard--generally move together. Usually their relationships to each other tend to vary within a narrow range. This reflects primarily the high degree of

substitution and interchangeability of the 3 fats in manufactured food products. When 1 of the 3 gets out of line with the other 2 in the general price structure, manufacturers who use that fat switch to a lower priced substitute fat as much as feasible.

Table 27.--Soybean and cottonseed: Comparison of oil and meal prices, 1950 to date

Year beginning October	Oil price per pound			Meal price per ton		
	Soybean	Cottonseed	Differential	Soybean	Cottonseed	Differential
	oil	oil		meal	meal	
	1/	2/		1/	2/	
	Cents	Cents	Cents	Dollars	Dollars	Dollars
1950	17.8	19.9	+2.1	64.45	70.35	+ 5.90
1951	11.3	12.7	+1.4	83.35	81.95	- 1.40
1952	12.1	14.1	+2.0	67.55	66.65	- .90
1953	13.5	13.5	0	78.65	63.35	-15.30
1954	11.9	12.8	+0.9	60.70	60.75	+ .05
1955	12.5	12.9	+ .4	52.55	51.35	- 1.20
1956	12.7	13.4	+ .7	47.45	51.70	+ 4.25
1957	10.8	13.2	+2.4	53.40	56.50	+ 3.10
1958	9.5	11.5	+2.0	55.80	59.45	+ 3.65
1959	8.3	9.7	+1.4	55.55	56.25	+ .70
1960	11.3	12.3	+1.0	60.60	56.15	- 4.45
1961	9.5	11.9	+2.4	63.60	59.20	- 4.40
1962	8.9	10.3	+1.4	71.30	66.90	- 4.40
1963	8.5	9.9	+1.4	71.00	62.20	- 8.80
1964	11.3	11.6	+ .3	70.20	59.80	-10.40
1965	11.8	13.7	+1.9	81.50	72.40	- 9.10
1966	10.1	12.2	+2.1	78.80	77.50	- 1.30
1967	8.4	13.2	+4.8	76.90	77.40	+ .50
1968 3/	8.4	10.9	+2.5	74.00	64.85	- 9.15
Average 1950-68	11.0	12.6	+1.6	66.75	63.95	- 2.80
Months:						
1967/68						
October	8.8	11.1	+2.3	71.80	76.10	+ 4.30
November	8.6	11.0	+2.4	71.90	76.60	+ 4.70
December	8.6	11.4	+2.8	73.40	78.10	+ 4.70
January	8.7	12.1	+3.4	75.10	77.90	+ 2.80
February	9.5	12.9	+3.4	74.50	77.60	+ 3.10
March	9.1	12.6	+3.5	75.00	76.20	+ 1.20
April	8.8	12.9	+4.1	74.60	77.00	+ 2.40
May	8.7	14.3	+5.6	75.00	77.60	+ 2.60
June	7.8	15.1	+7.3	79.50	78.20	- 1.30
July	7.4	15.1	+7.7	82.80	78.20	- 4.60
August	7.5	16.4	+8.9	84.40	78.00	- 6.40
September	7.5	13.1	+5.6	85.10	79.10	- 6.00
1968/69						
October	7.3	10.4	+3.1	78.20	66.20	-12.00
November	7.9	10.6	+2.7	73.50	65.60	- 7.90
December	8.1	10.5	+2.4	71.60	67.80	- 3.80
January	8.6	10.5	+1.9	69.80	68.40	- 1.40
February	8.9	10.8	+1.9	69.90	64.60	- 5.30
March	8.8	11.1	+2.3	72.60	62.50	-10.10
April	8.4	11.2	+2.8	73.30	61.70	-11.60
May	8.4	11.4	+3.0	76.10	59.10	-17.00
June	8.4	11.7	+3.3	77.50	59.60	-17.90
July	8.2	11.2	+3.0	77.30	68.00	- 9.30
August	8.9	10.9	+2.0	76.90	71.00	- 5.90
September						

1/ Soybean oil, crude, Decatur; soybean meal, bulk, 44% protein, Decatur. 2/ Cottonseed oil, crude, Valley; cottonseed meal, bulk, 41% protein, Memphis. 3/ Preliminary.

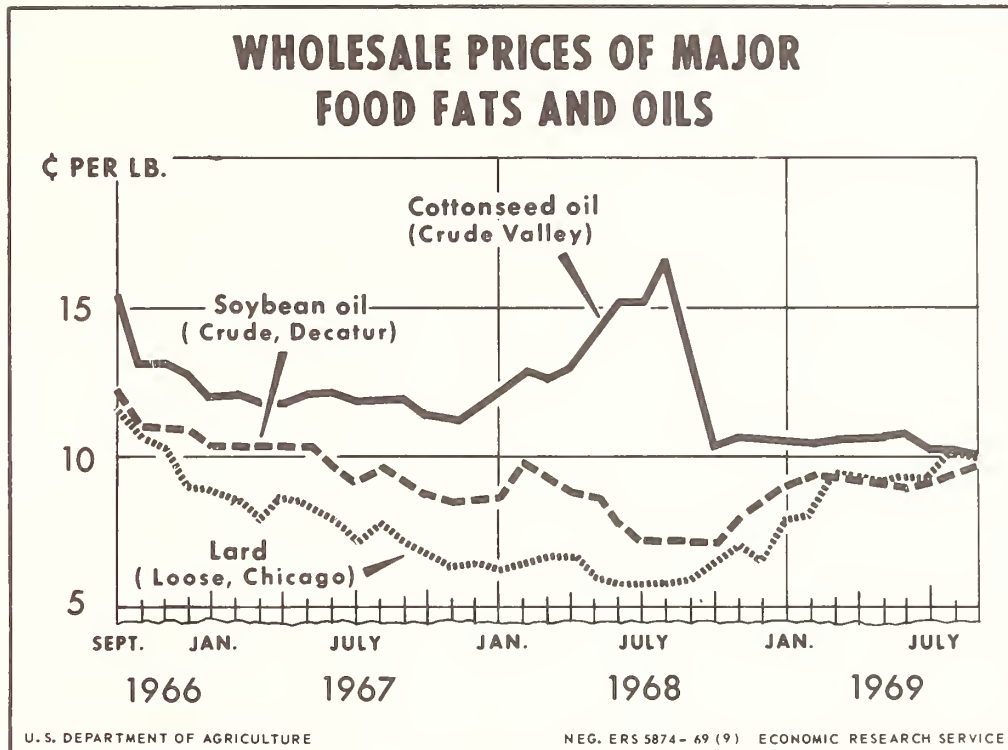


Figure 4

The price premium of cottonseed oil over soybean oil during 1950-68 averaged 1.6¢ per pound. It varied from zero in 1953 to 4.8¢ in 1967/68 (table 27). During 1967/68, when cottonseed oil was in short supply, the monthly differential increased from 2.3¢ in October 1967 to 8.9¢ in August 1968. In the 1968/69 marketing year, the monthly price spread declined and remained

relatively steady, averaging nearly 3.0¢ per pound.

Cottonseed oil prices are expected to average 1¢ to 2¢ per pound above soybean oil in the 1969/70 marketing year. This would be near the historical price relationships and somewhat smaller than in 1968/69. The market price differential on August 1, 1969, was 2.2¢ but narrowed in September.

#### Increased Cottonseed Meal Use This Year

Total supply of cottonseed cake and meal for the marketing year started August 1, 1969, is estimated at 2.3 million tons, about 5% more than in 1968/69 (table 25). Domestic use is forecast at 2.1 million tons, about 4% more than last year. Cottonseed meal is used largely for feeding ruminant animals. With low production in 1966/68 it lost ground to urea as well as fish meal in some areas. But with lower prices this marketing year, cottonseed meal will be more competitive. Furthermore, high-protein consuming animal units will be more numerous in 1969/70--

some 2 to 3% more than last year. Cottonseed meal exports dropped from 145,000 tons in 1964/65 to 3,100 tons in 1967/68 and 10,100 in 1968/69 (table 26). Exports are expected to increase during 1969/70 mainly because of lower U.S. meal prices.

The CCC acquired about 144,000 tons of cottonseed meal under the 1968-crop price support program. The bulk of this was in California, Arizona, Oklahoma, and West Texas. The Corporation has sold nearly two-thirds of its inventory to date--17,000 ton into export at \$45 per



Table 28.--Cottonseed cake and meal: Supply, disposition and price, by months, crop years 1955-69

Year begin- ning August	Production													Total or Average
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July		
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	
1955	103.4	233.3	328.5	370.6	317.2	320.7	287.7	230.0	179.4	123.1	74.4	62.3	2,630.6	
1956	85.2	249.0	346.8	328.6	275.1	293.3	238.9	192.4	136.4	113.0	73.1	58.5	2,390.3	
1957	71.0	167.3	300.8	281.3	247.5	238.8	187.5	149.7	117.3	81.4	55.7	59.5	1,958.0	
1958	69.4	135.1	328.6	280.4	260.3	252.3	201.8	195.2	151.5	85.9	55.1	45.3	2,060.8	
1959	70.1	227.1	360.2	336.7	303.5	289.8	267.5	246.7	175.8	116.9	83.0	70.0	2,547.3	
1960	68.6	189.3	352.2	345.7	287.5	309.8	247.4	224.9	189.3	138.1	85.0	66.6	2,504.4	
1961	68.6	149.6	339.7	342.9	286.8	299.1	268.5	242.6	192.1	130.9	99.9	85.2	2,505.9	
1962	103.2	237.9	350.7	366.1	302.2	327.2	294.8	257.5	197.1	138.3	86.6	72.0	2,733.6	
1963	101.0	224.1	346.3	353.7	304.8	326.5	292.8	259.1	212.9	165.1	116.7	87.3	2,790.3	
1964	82.5	181.9	316.9	339.0	325.0	315.4	284.0	295.3	222.7	181.9	126.1	98.9	2,769.6	
1965	71.9	191.0	297.9	338.4	332.8	333.4	305.4	287.6	197.4	157.3	109.3	72.2	2,694.6	
1966	70.8	101.2	237.7	259.9	249.2	237.6	179.1	184.0	106.8	63.3	67.5	44.2	1,801.3	
1967 1/	65.9	49.1	141.4	229.0	196.8	198.0	161.6	140.2	107.8	73.8	47.8	39.1	1,450.5	
1968 1/	33.5	54.5	231.5	240.3	246.7	255.3	215.9	201.0	174.9	155.0	106.8	69.6	1,985.0	
1969	60.0													
Stocks, first of month														
1955	203.1	169.7	150.2	170.7	173.7	163.0	191.5	220.2	250.7	258.4	245.7	214.8		
1956	164.2	120.3	140.9	170.8	186.1	188.2	195.1	228.6	264.4	280.1	293.8	288.4		
1957	252.4	210.1	209.7	249.9	262.4	247.2	241.9	224.7	198.0	189.8	182.7	162.2		
1958	112.5	78.4	71.2	116.1	106.7	78.5	79.6	103.8	139.8	166.4	170.5	153.7		
1959	116.3	87.8	97.0	110.8	113.1	110.4	131.6	149.5	140.8	188.9	204.5	202.8		
1960	189.9	157.7	137.1	167.9	199.7	197.8	227.2	239.6	272.0	270.5	245.5	196.9		
1961	142.6	89.4	73.3	96.7	85.8	81.5	84.9	113.6	123.4	156.9	164.0	155.7		
1962	133.9	95.2	99.9	94.9	100.8	100.5	107.2	123.2	149.6	200.3	220.4	214.0		
1963	190.4	156.6	159.8	169.8	195.6	188.0	207.5	241.4	259.9	295.7	325.6	305.0		
1964	249.4	171.5	138.8	137.4	159.9	126.8	150.6	177.0	192.7	220.7	238.5	207.6		
1965	168.5	110.8	77.7	91.0	96.1	80.9	94.6	115.0	156.7	189.6	212.5	170.1		
1966	133.9	99.5	64.1	89.6	91.7	94.2	111.6	126.1	148.1	166.9	160.9	157.8		
1967 1/	148.4	133.2	104.9	121.6	137.1	146.7	161.8	168.1	170.6	192.4	200.5	188.9		
1968 1/	158.0	127.4	107.6	130.7	145.4	135.1	141.2	167.5	163.5	192.5	215.5	179.4		
1969	154.7	98.5												
Exports and shipments														
1955	20.8	24.1	52.8	35.6	28.3	15.3	4.9	3.6	2.8	3.7	2.5	1.2	195.6	
1956	1.9	3.1	5.2	7.3	10.2	2.7	.7	.3	.3	2/	---	.2	32.0	
1957	.3	2.8	.2	5.4	.1	.1	.1	.1	.2	.2	.2	.2	9.9	
1958	.2	.2	.3	.1	3.7	.5	.1	.1	.2	.1	2/	.1	5.6	
1959	4.7	17.4	39.6	18.2	34.1	23.1	3.0	1.6	3.1	4	1.3	.8	147.3	
1960	5.8	9.2	15.1	11.3	3.6	2.2	2.7	1.3	.4	.6	.4	4.7	57.3	
1961	1.8	2.1	.3	1.8	.2	.2	2/	.1	.2	.1	---	.1	6.9	
1962	6.2	16.6	12.4	14.4	10.6	.2	17.7	6.2	7.4	4.5	.1	1.0	97.3	
1963	1.8	8.6	14.8	3.8	5.2	.5	.4	4.1	.2	7.3	2.2	6.2	55.1	
1964	5.4	4.3	12.7	28.2	18.8	3.0	.5	14.2	9.3	13.0	16.9	18.6	144.9	
1965	3.4	5.3	23.7	25.2	12.9	8.5	9.6	9.1	10.5	.3	.1	.3	108.9	
1966	.2	1.0	4.8	.1	.4	.1	.2	.3	.5	.6	.1	.3	8.6	
1967 1/	.4	2/	.6	.1	.4	.3	.1	.3	.5	2/	.1	.5	3.3	
1968 1/	.2	.2	.4	---	.5	.4	2.1	1.4	3.3	6.3	1.4	16.6		
1969	.4													
Domestic disappearance 3/ 4/														
1955	119.0	232.0	258.7	333.4	302.6	280.9	257.1	200.7	174.2	138.5	109.2	118.7	2,525.0	
1956	135.4	231.7	318.7	311.5	265.3	286.7	210.7	161.2	125.2	104.0	83.4	100.6	2,334.4	
1957	113.8	168.9	265.5	266.0	267.5	248.2	207.7	180.5	130.1	91.9	80.7	119.2	2,140.0	
1958	116.0	153.6	297.2	301.6	296.6	266.6	196.8	173.6	139.3	92.0	81.6	86.6	2,201.5	
1959	94.3	202.0	309.8	319.1	276.9	248.3	250.5	260.2	127.9	102.8	84.5	82.4	2,358.7	
1960	95.9	201.5	309.1	305.2	290.8	283.4	237.1	192.7	195.0	168.2	138.1	120.8	2,537.8	
1961	121.3	166.4	321.6	361.8	301.7	306.4	247.6	241.8	162.6	125.2	113.0	110.5	2,579.9	
1962	140.9	218.8	346.3	350.4	293.7	323.7	264.5	225.0	144.0	120.3	97.8	99.8	2,625.2	
1963	134.7	214.6	324.5	327.2	310.3	311.7	263.6	238.9	180.0	129.2	137.1	136.4	2,709.1	
1964	155.5	211.0	306.5	288.5	339.4	288.9	257.4	266.8	186.5	152.5	143.8	122.9	2,720.0	
1965	129.5	222.4	265.3	309.2	337.9	314.0	277.9	241.1	159.4	138.4	155.4	112.7	2,663.2	
1966	109.6	139.4	211.1	262.2	251.9	227.0	170.8	169.0	92.5	72.8	74.4	56.8	1,837.5	
1967 1/	84.5	81.5	128.1	219.0	191.3	186.7	159.4	141.6	89.8	68.5	62.2	72.2	1,484.8	
1968 1/	66.7	76.3	211.8	227.8	260.4	251.9	191.9	205.4	148.6	130.7	138.4	95.0	2,004.9	
1969	116.3													
Price per ton, bulk, Memphis, 41% protein														
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	
1955	56.40	53.25	51.60	50.00	52.75	52.50	49.10	46.90	47.75	50.20	50.25	54.75	51.30	
1956	59.60	50.60	52.00	53.60	54.20	53.95	52.25	51.05	50.90	48.10	48.50	50.55	52.10	
1957	54.90	50.45	47.50	49.20	52.80	53.80	56.50	59.60	59.65	59.45	59.90	63.20	55.60	
1958	61.00	55.10	52.00	57.75	64.40	69.50	62.90	60.60	60.60	59.40	59.30	64.15	60.55	
1959	51.25	51.80	58.40	62.85	60.30	57.90	53.50	56.00	54.35	52.40	53.60	55.35	55.65	
1960	57.70	52.60	52.75	52.50	52.25	51.80	52.25	52.10	55.60	58.50	60.60	62.75	55.10	
1961	64.70	58.25	53.50	59.90	62.90	63.80	59.00	58.00	56.60	55.80	58.60	60.10	59.25	
1962	62.80	59.80	61.50	68.20	68.80	68.60	68.80	66.10	61.50	64.50	66.80	69.80	65.60	
1963	70.00	68.60	67.70	70.00	70.20	69.00	63.80	60.60	57.90	52.10	53.90	56.20	63.35	
1964	62.50	62.80	62.00	60.90	61.20	60.20	59.00	56.90	56.00	54.10	59.60	63.50	59.90	
1965	64.40	59.90	59.10	61.90	66.60	69.50	71.70	68.60	69.90	71.00	72.70	90.00	68.80	
1966	88.00	79.70	75.10	80.90	83.20	81.60	76.20	75.70	75.00	76.30	76.50	74.50	78.55	
1967 1/	76.20	79.20	76.10	76.60	78.10	77.90	77.60	76.20	77.00	77.60	78.20	78.20	77.40	
1968 1/	78.00	79.10	66.20	65.60	67.80	68.40	64.60	62.50	61.70	59.10	59.60	68.00	66.72	
1969	71.00													

1/ Preliminary. 2/ Less than 50 tons. 3/ Includes imports which average 45,000 tons per year. 4/ Beginning January 1965 includes shipments.

ton and 76,000 tons for unrestricted use at \$57 per ton.

Cottonseed meal (41% protein, Memphis) historically has sold at a \$3 per ton discount to soybean meal (44% protein Decatur), during 1950-68 (table 27). During the 1968/69 marketing year,

the differential widened and cottonseed meal sold for \$9 per ton under soybean meal. Cottonseed meal prices dropped from \$79 per ton in September 1968 to \$59 in May 1969, then rose to \$68 in July. The average for the entire 1968/69 season was \$65 per ton, \$13 below the year before.

#### CCC Price Support Program

The 1969-crop cottonseed price support to producers, at \$37 per ton, basis (100) grade, is carried out primarily by means of a product purchase program. This is done through oil mills which agree to pay not less than the equivalent support price of \$41 per ton for cottonseed at the gins--thus providing the gins \$4 per ton as cottonseed's share of the ginners' fee. Tenders from participating oil mills may be offered through July 1970 or a later date approved by CCC. The Corporation has standby authority to purchase eligible cottonseed directly from producers and ginners in areas where such purchases are deemed necessary to make the support program effective.

If a participating crusher cannot recover his cottonseed costs (\$41 per ton f.o.b. gin) plus a reasonable operating margin, CCC stands ready to

purchase products at prices that will yield such a reasonable return. The calculation includes the price and outturns of linters and hulls as well as the oil and meal. A crusher may tender to CCC crude or once-refined (PBSY) cottonseed oil. While CCC has the option to accept tenders on cottonseed meal (41% protein) in 1969/70, the program is intended to operate primarily through oil. If a tender price is not acceptable to CCC, the Corporation may make a counteroffer. Each lot of cottonseed oil or meal purchased by CCC is delivered by the crusher f.o.b. cars or trucks (CCC's option) made available without cost to the crusher at the oil mill. Delivery of the oil is required not later than 180 days after the date of sale. No delivery of 1969-crop oil or meal will be made after August 31, 1970, unless a later date is mutually agreed upon.

#### CCC Oil and Meal Purchases Heavy Last Season

CCC price support operations during 1968/69 for cottonseed oil and meal are summarized in tables 29 and 30. Here are some of the highlights of the season.

CCC purchased 331 million pounds of cottonseed oil (292 million as crude and 39 million refined) and 287 million pounds of cottonseed meal (total acceptances were 382 million pounds but 95 million were withdrawn). The average CCC acceptance price for crude cottonseed oil was 10.8¢ per pound, once-refined oil, 11.9¢, and cottonseed meal, \$64.60 per ton.

The Southwest and West accounted for 59% of the cottonseed oil acquired by CCC and the Valley area the remaining 41%. There were no acquisitions of oil or meal from the Southeast. Texas alone accounted for a third of all CCC purchases of oil and Mississippi for about a fifth. In the case of cottonseed meal, California, Arizona and Texas each furnished about 30% to the CCC acquisitions during the year. Only small quantities of meal were tendered and accepted in the Valley.

The peak month for CCC oil purchases was November 1968, when 79 million pounds or nearly a fourth of the year's total



Southwest and Far West

1/ Crude oil unless otherwise specified. Price is f.o.b. crushers' mills. 2/ PBSY (prime, bleachable, summer yellow). 3/ Once-refined.



was acquired. May was the second heaviest month (55 million pounds) followed closely by March (53 million pounds). The CCC acceptance of crude oil resulted in a stronger market--from about  $10\frac{1}{2}\text{¢}$  per pound in November 1968 to nearly  $11\frac{1}{2}\text{¢}$  in June 1969.

January 1969 was the heaviest month of CCC acceptances of cottonseed meal--7 $\frac{1}{4}$  million pounds or a fourth of the season's total. May was the next largest month (60 million pounds) followed by April (49 million pounds).

\* \* \* \* \*